

Message Text

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PAGE 01 BLANTY 01599 161535Z

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ACTION OPIC-12

INFO OCT-01 AF-10 EUR-25 ISO-00 EB-11 AID-20 CIAE-00

INR-10 NSAE-00 /089 W

----- 014044

R 161350Z NOV 73

FM AMEMBASSY BLANTYRE

TO SECSTATE WASHDC 6649

INFO AMEMBASSY LONDON

USDOC WASHDC

UNCLAS BLANTYRE 1599

E.O. 11652: N/A

TAGS: EFIN, BEXP, MI

SUBJ: APPLICATION FOR INVESTMENT INSURANCE - 612-74-086 -
BANK OF AMERICA

REF: STATE 222173 (NOTAL)

1. ACCORDING TO GOVERNOR OF RESERVE BANK TEMBO GOM APPROVAL OF BANK OF AMERICA (BOA) PROPOSED INVESTMENT TELEGRAPHED TO BOA EARLY WEEK NOV 12. WE WILL CABLE TEXT ASAP.

2. IN RESPONSE EMBASSY REQUEST (PARA 2 REFTEL) GOVERNOR TEMBO HAS AGREED SEND SUPPLEMENTARY TELEGRAM STATING APPROVAL COVERS INVESTMENT IN APPROXIMATE AMOUNT \$855,600 (INSTEAD OF \$855,000).

3. RE PARA 3 REFTEL EMBASSY TRANSMITTING RESERVE BANK STATEMENT ON EXCHANGE CONTROLS VIA BLANTYRE A-92 OF NOV 16. STATEMENT DESCRIBES CURRENT SITUATION. THERE NO LAWS, REGULATIONS OR PROCEDURES IMPEDING REPATRIATION OF CAPITAL, EARNINGS, LEASE PAYMENTS, ETC. LICENSE FOR EACH REPATRIATION IS APPLIED FOR THROUGH A COMMERCIAL BANK TO RESERVE BANK. BUSINESS AND DIPLOMATIC SOURCES REPORT RESERVE BANK POLICIES ARE LIBERAL (WHEN BANK SATISFIED ORIGINAL INVESTMENT MADE WITH FUNDS ORIGINATING OUTSIDE MALAWI). LICENSE USUALLY APPROVED IN UNDER TWO WEEKS.

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4. COMMENTS/RECOMMENDATIONS -- EMBASSY STRONGLY RECOMMENDS APPROVAL OPIC INSURANCE. INVESTMENT IS RESPONSIVE TO SPECIAL NEEDS OF MALAWI AND WILL CONTRIBUTE TO SOCIAL AND ECONOMIC DEVELOPMENT OF PEOPLE. SHORTAGE OF SHORT AND MEDIUM TERM CREDIT IS CONSTRAINT ON GROWTH OF PRODUCTIVE CAPACITY, OPERATIONS OF SMALL BUSINESSES AND CONSUMER PURCHASING POWER. GOM POLICY IS TO ENCOURAGE GROWTH OF PRIVATE ENTERPRISE INCLUDING FOREIGN INVESTMENT. PROJECT FULLY SUPPORTIVE OF GOM DEVELOPMENT POLICIES AND SHOULD STIMULATE TRADE BETWEEN MALAWI AND US. AGREEMENT WORKED OUT BY BOA, RESERVE BANK AND COMMERCIAL BANK OF MALAWI DURING PAST SUMMER WITH ACTUAL INVESTMENT SUBJECT TO FEDERAL RESERVE APPROVAL AND OPIC GUARANTEE.

5. FOR WASHINGTON -- REQUEST COPY OPIC M.O. 1522.

6. FOR LONDON -- PLEASE INFORM BILLMYER OF BOA SUBSTANCE PARAS ONE AND TWO.
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Message Attributes

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Decaption Date: 01 JAN 1960
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Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
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Drafter: n/a
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